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## **AEON CREDIT SERVICE (ASIA) CO., LTD.**

**AEON 信貸財務(亞洲)有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 900)**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 31ST AUGUST 2025**

The board (the “Board”) of directors (the “Directors”) of AEON Credit Service (Asia) Company Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31st August 2025, together with comparative figures of the previous period as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 31st August 2025*

	<i>Notes</i>	<b>1.3.2025 to 31.8.2025 (Unaudited) HK\$'000</b>	<b>1.3.2024 to 31.8.2024 (Unaudited) HK\$'000</b>
Revenue	3	<b>897,143</b>	860,321
Interest income	5	<b>754,456</b>	734,492
Interest expense	6	<b>(55,609)</b>	(64,537)
Net interest income		<b>698,847</b>	669,955
Fees and commissions		<b>67,592</b>	62,148
Handling and late charges		<b>75,095</b>	63,681
Other income	7	<b>5,919</b>	8,313
Other gains and losses	8	<b>(639)</b>	118
Operating income		<b>846,814</b>	804,215
Operating expenses	9	<b>(371,184)</b>	(378,246)
Operating profit before impairment losses and impairment allowances		<b>475,630</b>	425,969
Impairment losses and impairment allowances		<b>(206,031)</b>	(236,101)
Recoveries of advances and receivables written-off		<b>11,728</b>	13,343
Profit before tax		<b>281,327</b>	203,211
Income tax expense	10	<b>(47,727)</b>	(32,850)
Profit for the period		<b>233,600</b>	170,361
Profit for the period attributable to: Owners of the Company		<b>233,600</b>	170,361
Earnings per share — Basic	12	<b>55.78 HK cents</b>	40.68 HK cents

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 31st August 2025*

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Profit for the period	<u>233,600</u>	<u>170,361</u>
<b>Other comprehensive income (expense)</b>		
Item that will not be reclassified to profit or loss:		
Fair value gain on equity instruments at fair value through other comprehensive income	4,692	5,333
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising from translation of foreign operations	5,741	2,261
Fair value adjustment on cash flow hedges, net of tax	(13,093)	(10,741)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	<u>2,515</u>	<u>(8,665)</u>
Other comprehensive expense for the period	<u>(145)</u>	<u>(11,812)</u>
Total comprehensive income for the period	<u><u>233,455</u></u>	<u><u>158,549</u></u>
Total comprehensive income for the period attributable to:		
Owners of the Company	<u><u>233,455</u></u>	<u><u>158,549</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st August 2025

		31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
	NOTES		
<b>Non-current assets</b>			
Property, plant and equipment		165,201	180,608
Intangible assets		24,842	27,959
Right-of-use assets		99,942	110,049
Goodwill		15,820	15,820
Equity instruments at fair value through other comprehensive income		110,873	106,181
Advances and receivables	13	1,402,593	1,459,302
Prepayments, deposits and other debtors	15	22,810	21,611
Derivative financial instruments	18	1,755	10,430
Deferred tax assets		8,313	3,853
		<u>1,852,149</u>	<u>1,935,813</u>
<b>Current assets</b>			
Advances and receivables	13	5,866,324	5,605,137
Prepayments, deposits and other debtors	15	106,337	79,388
Amount due from immediate holding company		73	1
Derivative financial instruments	18	1,191	288
Time deposits		15,198	21,482
Bank balances and cash		246,189	226,220
		<u>6,235,312</u>	<u>5,932,516</u>
<b>Current liabilities</b>			
Creditors and accruals	16(a)	267,726	226,351
Contract liabilities	16(b)	52,208	42,024
Amounts due to fellow subsidiaries		30,006	9,286
Amount due to an intermediate holding company		9,745	9,504
Borrowings from immediate holding company	17	955,000	900,000
Bank borrowings	17	1,207,297	1,015,149
Lease liabilities		42,924	39,586
Derivative financial instruments	18	22,155	1,319
Tax liabilities		64,201	31,124
		<u>2,651,262</u>	<u>2,274,343</u>
<b>Net current assets</b>		<u>3,584,050</u>	<u>3,658,173</u>
<b>Total assets less current liabilities</b>		<u><u>5,436,199</u></u>	<u><u>5,593,986</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(Continued)**

*At 31st August 2025*

		<b>31.8.2025</b> <b>(Unaudited)</b> <b>HK\$'000</b>	28.2.2025 (Audited) HK\$'000
	<i>NOTES</i>		
<b>Capital and reserves</b>			
Share capital		<b>269,477</b>	269,477
Reserves		<b>4,110,448</b>	3,981,684
<b>Total equity</b>		<b>4,379,925</b>	4,251,161
<b>Non-current liabilities</b>			
Bank borrowings	17	<b>980,000</b>	1,239,685
Deferred tax liabilities		–	39
Lease liabilities		<b>64,263</b>	76,782
Derivative financial instruments	18	<b>12,011</b>	26,319
		<b>1,056,274</b>	1,342,825
		<b>5,436,199</b>	5,593,986

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st August 2025

	Share capital HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Translation reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1st March 2024 (Audited)	269,477	68,821	35,582	(16,468)	3,710,581	4,067,993
Profit for the period	–	–	–	–	170,361	170,361
Fair value gain on equity instruments at fair value through other comprehensive income	–	5,333	–	–	–	5,333
Exchange difference arising from translation of foreign operations	–	–	–	2,261	–	2,261
Fair value adjustment on cash flow hedges, net of tax	–	–	(10,741)	–	–	(10,741)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	–	–	(8,665)	–	–	(8,665)
Total comprehensive income (expense) for the period	–	5,333	(19,406)	2,261	170,361	158,549
Final dividend paid for 2023/24 (Note 11)	–	–	–	–	(100,504)	(100,504)
At 31st August 2024 (Unaudited)	269,477	74,154	16,176	(14,207)	3,780,438	4,126,038
At 1st March 2025 (Audited)	269,477	82,358	8,552	(19,277)	3,910,051	4,251,161
Profit for the period	–	–	–	–	233,600	233,600
Fair value gain on equity instruments at fair value through other comprehensive income	–	4,692	–	–	–	4,692
Exchange difference arising from translation of foreign operations	–	–	–	5,741	–	5,741
Fair value adjustment on cash flow hedges, net of tax	–	–	(13,093)	–	–	(13,093)
Reclassification of fair value adjustments on cash flow hedges to profit or loss	–	–	2,515	–	–	2,515
Total comprehensive income (expense) for the period	–	4,692	(10,578)	5,741	233,600	233,455
Final dividend paid for 2024/25 (Note 11)	–	–	–	–	(104,691)	(104,691)
At 31st August 2025 (Unaudited)	269,477	87,050	(2,026)	(13,536)	4,038,960	4,379,925

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st August 2025

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
<b>Net cash from (used in) operating activities</b>	<b>172,425</b>	<b>(201)</b>
Proceeds from sale of property, plant and equipment	–	1
Purchase of property, plant and equipment	(9,245)	(11,158)
Purchase of intangible assets	(528)	(1,220)
Deposits paid for acquisition of property, plant and equipment	(1,880)	(14,160)
Deposits paid for acquisition of intangible assets	(407)	(329)
Placement of time deposits with maturity of more than three months	(418)	(3,849)
Release of time deposits with maturity of more than three months	3,617	1,650
<b>Net cash used in investing activities</b>	<b>(8,861)</b>	<b>(29,065)</b>
Repayment of lease liabilities	(27,959)	(30,322)
Dividends paid	(104,691)	(100,504)
New borrowings from immediate holding company raised	75,000	–
Repayment of borrowings from immediate holding company	(20,000)	–
New bank loans raised	803,858	7,013,665
Repayment of bank loans	(873,142)	(6,827,860)
<b>Net cash (used in) from financing activities</b>	<b>(146,934)</b>	<b>54,979</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,630</b>	<b>25,713</b>
<b>Effect of changes in exchange rate</b>	<b>249</b>	<b>(16)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>244,090</b>	<b>271,658</b>
<b>Cash and cash equivalents at end of the period</b>	<b>260,969</b>	<b>297,355</b>
Being:		
Time deposits with maturity of three months or less	14,780	17,527
Bank balances and cash	246,189	279,828
	<b>260,969</b>	<b>297,355</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31st August 2025*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The financial information relating to the year ended 28th February 2025 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 28th February 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## 2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Other than the application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31st August 2025 are the same as those presented in the Group’s annual financial statements for the year ended 28th February 2025.

### **Application of amendments to HKFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1st March 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE

	<b>1.3.2025 to 31.8.2025 (Unaudited) HK\$'000</b>	<b>1.3.2024 to 31.8.2024 (Unaudited) HK\$'000</b>
Interest income	<b>754,456</b>	734,492
Fees and commissions		
Credit cards — issuing	<b>21,353</b>	19,386
Credit cards — acquiring	<b>29,802</b>	27,401
Insurance	<b>16,437</b>	15,361
Handling and late charges	<b>75,095</b>	63,681
Revenue from contracts with customers	<b>142,687</b>	125,829
Total revenue	<b>897,143</b>	860,321

#### 1.3.2025 to 31.8.2025 (Unaudited)

	<b>Credit cards HK\$'000</b>	<b>Personal loans HK\$'000</b>	<b>Insurance HK\$'000</b>	<b>Total HK\$'000</b>
Interest income	<b>594,897</b>	<b>159,542</b>	<b>17</b>	<b>754,456</b>
Fees and commissions	<b>51,155</b>	<b>–</b>	<b>16,437</b>	<b>67,592</b>
Handling and late charges	<b>67,940</b>	<b>7,155</b>	<b>–</b>	<b>75,095</b>
Segment revenue	<b>713,992</b>	<b>166,697</b>	<b>16,454</b>	<b>897,143</b>

#### 1.3.2024 to 31.8.2024 (Unaudited)

	<b>Credit cards HK\$'000</b>	<b>Personal loans HK\$'000</b>	<b>Insurance HK\$'000</b>	<b>Total HK\$'000</b>
Interest income	565,085	169,385	22	734,492
Fees and commissions	46,787	–	15,361	62,148
Handling and late charges	57,105	6,576	–	63,681
Segment revenue	668,977	175,961	15,383	860,321



#### 4. SEGMENT INFORMATION

##### Services from which operating and reportable segments derive their revenues

The Group's operating and reportable segments are as follows:

Credit cards	—	Provide credit card services to individuals and acquiring services for member-stores
Personal loans	—	Provide personal loan financing to individuals
Insurance	—	Provide insurance agency and brokerage services

The accounting policies of operating and reportable segments are the same as the Group's accounting policies. Segment results represent the profit before tax earned by each segment without allocation of certain other operating income (including dividend income), unallocated expenses (including head office expenses). This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

##### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

##### 1.3.2025 to 31.8.2025 (Unaudited)

	Credit cards <i>HK\$'000</i>	Personal loans <i>HK\$'000</i>	Insurance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>	<b>713,992</b>	<b>166,697</b>	<b>16,454</b>	<b>897,143</b>
<b>RESULT</b>				
Segment results	<b>264,568</b>	<b>11,503</b>	<b>7,271</b>	<b>283,342</b>
Unallocated operating income				<b>1,130</b>
Unallocated expenses				<b>(3,145)</b>
Profit before tax				<b>281,327</b>

##### 1.3.2024 to 31.8.2024 (Unaudited)

	Credit cards <i>HK\$'000</i>	Personal loans <i>HK\$'000</i>	Insurance <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>	<b>668,977</b>	<b>175,961</b>	<b>15,383</b>	<b>860,321</b>
<b>RESULT</b>				
Segment results	<b>212,379</b>	<b>(14,542)</b>	<b>6,295</b>	<b>204,132</b>
Unallocated operating income				<b>555</b>
Unallocated expenses				<b>(1,476)</b>
Profit before tax				<b>203,211</b>

#### 4. SEGMENT INFORMATION (Continued)

##### Geographical information

The following is an analysis of the Group's revenue and results by geographical segments:

##### 1.3.2025 to 31.8.2025 (Unaudited)

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>	<b>872,057</b>	<b>25,086</b>	<b>897,143</b>
<b>RESULT</b>			
Segment results	<b>293,318</b>	<b>(9,976)</b>	<b>283,342</b>
Unallocated operating income			<b>1,130</b>
Unallocated expenses			<b>(3,145)</b>
Profit before tax			<b>281,327</b>

##### 1.3.2024 to 31.8.2024 (Unaudited)

	Hong Kong <i>HK\$'000</i>	Mainland China <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>	<b>841,852</b>	<b>18,469</b>	<b>860,321</b>
<b>RESULT</b>			
Segment results	<b>201,368</b>	<b>2,764</b>	<b>204,132</b>
Unallocated operating income			<b>555</b>
Unallocated expenses			<b>(1,476)</b>
Profit before tax			<b>203,211</b>

## 5. INTEREST INCOME

	<b>1.3.2025 to 31.8.2025 (Unaudited) HK\$'000</b>	<b>1.3.2024 to 31.8.2024 (Unaudited) HK\$'000</b>
Non-credit impaired advances	<b>741,608</b>	723,887
Credit impaired advances	<b>12,060</b>	10,212
Time deposits and bank balances	<b>788</b>	393
	<b><u>754,456</u></b>	<b><u>734,492</u></b>

## 6. INTEREST EXPENSE

	<b>1.3.2025 to 31.8.2025 (Unaudited) HK\$'000</b>	<b>1.3.2024 to 31.8.2024 (Unaudited) HK\$'000</b>
Interest on borrowings from immediate holding company	<b>7,853</b>	17,101
Interest on bank borrowings	<b>41,674</b>	47,849
Interest on lease liabilities	<b>2,417</b>	2,857
Net interest expense (income) on interest rate swap contracts	<b>3,665</b>	(3,270)
	<b><u>55,609</u></b>	<b><u>64,537</u></b>

## 7. OTHER INCOME

	<b>1.3.2025 to 31.8.2025 (Unaudited) HK\$'000</b>	<b>1.3.2024 to 31.8.2024 (Unaudited) HK\$'000</b>
Marketing support fund	<b>3,713</b>	7,758
Others	<b>2,206</b>	555
	<b><u>5,919</u></b>	<b><u>8,313</u></b>

## 8. OTHER GAINS AND LOSSES

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Exchange gain (loss)		
Exchange gain on hedging instrument released from cash flow hedge reserve	1,150	5,395
Exchange loss on bank loans	(1,150)	(5,395)
Other exchange loss, net	(117)	(50)
Hedge ineffectiveness on cash flow hedges, net	(4)	202
Losses on disposal of property, plant and equipment	(518)	(34)
	<u>(639)</u>	<u>118</u>

## 9. OPERATING EXPENSES

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Depreciation on property, plant and equipment	22,641	20,495
Amortisation of intangible assets	4,079	3,030
Depreciation on right-of-use assets	26,464	30,927
Expenses relating to short-term leases	1,010	1,614
	27,474	32,541
General administrative expenses	115,978	113,306
Marketing and promotion expenses	39,657	50,818
Other operating expenses	38,945	38,828
Staff costs including Directors' emoluments	122,410	119,228
	<u>371,184</u>	<u>378,246</u>

## 10. INCOME TAX EXPENSE

	1.3.2025 to 31.8.2025 (Unaudited) HK\$'000	1.3.2024 to 31.8.2024 (Unaudited) HK\$'000
Current tax		
— Hong Kong Profits Tax	49,797	37,868
— PRC Enterprise Income Tax	69	110
Deferred tax	(2,139)	(5,128)
	<u>47,727</u>	<u>32,850</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

A Company's PRC subsidiary is a qualified small and thin-profit enterprise, which annual taxable income up to RMB3 million is subject to an effective tax rate of 5% from 1st January 2023 to 31st December 2027.

## 11. DIVIDENDS

On 31st July 2025, a dividend of 25.0 HK cents (six months ended 31st August 2024: 24.0 HK cents) per share amounting to a total of HK\$104,691,000 (six months ended 31st August 2024: HK\$100,504,000) was paid to shareholders as the final dividend for 2024/25 (six months ended 31st August 2024: final dividend for 2023/24).

In respect of the current interim period, the Directors have declared an interim dividend of 25.0 HK cents per share amounting to HK\$104,691,000 payable to the shareholders of the Company whose names appear on the Register of Members on 20th October 2025. The interim dividend will be paid on 4th November 2025. This interim dividend was declared after the interim reporting date, and therefore has not been included as a liability in the condensed consolidated statement of financial position.

## 12. EARNINGS PER SHARE — BASIC

The calculation of basic earnings per share is based on the unaudited profit for the period of HK\$233,600,000 (six months ended 31st August 2024: HK\$170,361,000) and on the number of shares of 418,765,600 (six months ended 31st August 2024: 418,765,600) in issue during the period.

### 13. ADVANCES AND RECEIVABLES

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Credit card receivables	5,698,165	5,481,474
Personal loan receivables	1,593,666	1,631,788
	<b>7,291,831</b>	7,113,262
Accrued interest and other receivables	232,154	216,116
	<b>7,523,985</b>	7,329,378
Gross advances and receivables	(255,068)	(264,939)
Impairment allowances ( <i>Note 14</i> )		
	<b>7,268,917</b>	7,064,439
Current portion included under current assets	(5,866,324)	(5,605,137)
	<b>1,402,593</b>	1,459,302
Amount due after one year		

At the end of the reporting period, all advances and receivables are unsecured.

At 31st August 2025, the personal loan receivables include rescheduled loan receivables of HK\$188,170,000 (28th February 2025: HK\$176,815,000).

Set out below is an analysis of gross balance of advances and receivables (excluding impairment allowances):

	31.8.2025 (Unaudited) HK\$'000	%*	28.2.2025 (Audited) HK\$'000	%*
Stage 1	7,221,719	96.0	7,018,669	95.8
Stage 2	51,422	0.7	65,548	0.9
Stage 3	250,844	3.3	245,161	3.3
	<b>7,523,985</b>	<b>100.0</b>	<b>7,329,378</b>	<b>100.0</b>

\* *Percentage of gross advances and receivables*

Stage 1 covers the advances and receivables which credit risk has not significantly increased since initial recognition.

Stage 2 covers the advances and receivables which credit risk has significantly increased since initial recognition.

Stage 3 covers the advances and receivables for which credit loss events occurred and become credit-impaired.

## 14. IMPAIRMENT ALLOWANCES

	<b>31.8.2025</b> <b>(Unaudited)</b> <b>HK\$'000</b>	28.2.2025 (Audited) HK\$'000
Analysis by products as:		
Credit card receivables	<b>137,610</b>	140,479
Unused credit card limit	<b>2,579</b>	2,668
Personal loan receivables	<b>109,494</b>	116,177
Accrued interest and other receivables	<b>5,385</b>	5,615
	<b>255,068</b>	264,939

At 31st August 2025, the impairment allowance of personal loan receivables includes impairment allowance on rescheduled loan receivables of HK\$43,366,000 (28th February 2025: HK\$41,679,000).

An analysis of changes in impairment allowances including commitments on unused credit card limit during each of the two periods ended 31st August 2025 and 31st August 2024 are set out as below:

	<b>Stage 1</b> <b>HK\$'000</b>	<b>Stage 2</b> <b>HK\$'000</b>	<b>Stage 3</b> <b>HK\$'000</b>	<b>Total</b> <b>HK\$'000</b>
At 1st March 2025	<b>149,624</b>	<b>24,720</b>	<b>90,595</b>	<b>264,939</b>
Net advance (repayment) in advances and receivables	<b>9,106</b>	<b>(1,286)</b>	<b>(8,613)</b>	<b>(793)</b>
Transfer to 12-months ECL (Stage 1)	<b>23,194</b>	<b>(10,181)</b>	<b>(13,013)</b>	<b>–</b>
Transfer to lifetime ECL not credit impaired (Stage 2)	<b>(3,396)</b>	<b>4,153</b>	<b>(757)</b>	<b>–</b>
Transfer to lifetime ECL credit impaired (Stage 3)	<b>(2,913)</b>	<b>(56,038)</b>	<b>58,951</b>	<b>–</b>
Total transfer between stages	<b>16,885</b>	<b>(62,066)</b>	<b>45,181</b>	<b>–</b>
Remeasurement of ECL during the period	<b>(25,618)</b>	<b>58,236</b>	<b>174,206</b>	<b>206,824</b>
Amounts written-off as uncollectable	<b>–</b>	<b>–</b>	<b>(216,237)</b>	<b>(216,237)</b>
Exchange realignment	<b>110</b>	<b>62</b>	<b>163</b>	<b>335</b>
At 31st August 2025	<b>150,107</b>	<b>19,666</b>	<b>85,295</b>	<b>255,068</b>

#### 14. IMPAIRMENT ALLOWANCES (Continued)

	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
At 1st March 2024	123,883	32,208	91,000	247,091
Net advance (repayment) in advances and receivables	9,587	(2,768)	(5,004)	1,815
Transfer to 12-months Expected Credit Loss ("ECL") (Stage 1)	15,347	(14,450)	(897)	–
Transfer to lifetime ECL not credit impaired (Stage 2)	(3,462)	4,556	(1,094)	–
Transfer to lifetime ECL credit impaired (Stage 3)	(2,414)	(63,468)	65,882	–
Total transfer between stages	9,471	(73,362)	63,891	–
Remeasurement of ECL during the period	1,890	70,284	162,112	234,286
Amounts written-off as uncollectable	–	–	(213,831)	(213,831)
Exchange realignment	36	24	88	148
At 31st August 2024	<u>144,867</u>	<u>26,386</u>	<u>98,256</u>	<u>269,509</u>

#### 15. PREPAYMENTS, DEPOSITS AND OTHER DEBTORS

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Deposits for property, plant and equipment	1,333	2,137
Deposits for intangible assets	166	23
Rental and other deposits	16,586	15,071
Prepaid operating expenses	57,884	53,696
Other debtors	<u>53,178</u>	<u>30,072</u>
	129,147	100,999
Current portion included under current assets	<u>(106,337)</u>	<u>(79,388)</u>
Amount due after one year	<u>22,810</u>	<u>21,611</u>



## 16. CREDITORS AND ACCRUALS/CONTRACT LIABILITIES

- (a) The aged analysis of creditors presented based on the invoice date at the end of the reporting period is as follows:

	31.8.2025 (Unaudited) HK\$'000	28.2.2025 (Audited) HK\$'000
Less than 1 month	141,166	77,449
Over 1 month but less than 3 months	2,018	1,044
Over 3 months	1,087	429
	<u>144,271</u>	<u>78,922</u>

- (b) At 31st August 2025, included in contract liabilities is deferred revenue in relation to customer loyalty programmes of HK\$52,208,000 (28th February 2025: HK\$42,024,000).

## 17. BANK BORROWINGS/BORROWINGS FROM IMMEDIATE HOLDING COMPANY

	31.8.2025 (Unaudited)		28.2.2025 (Audited)	
	Borrowings from immediate		Borrowings from immediate	
	Bank borrowings	holding company	Bank borrowings	holding company
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Carrying amount repayable ( <i>Note</i> )				
Within one year	1,207,297	955,000	1,015,149	900,000
Within a period of more than one year but not more than two years	880,000	–	489,685	–
Within a period of more than two years but not more than five years	100,000	–	750,000	–
	<u>2,187,297</u>	<u>955,000</u>	<u>2,254,834</u>	<u>900,000</u>
Amount repayable within one year included under current liabilities	<u>(1,207,297)</u>	<u>(955,000)</u>	<u>(1,015,149)</u>	<u>(900,000)</u>
Amount repayable after one year	<u>980,000</u>	<u>–</u>	<u>1,239,685</u>	<u>–</u>

*Note:* During the six-month period ended 31st August 2025, the Group drew down a short-term sustainability-linked loan facility of HK\$300,000,000. Such loan is subjected to two financial covenants requiring: (i) consolidated net worth to be maintained at no less than HK\$3,000,000,000; and (ii) the ratio of the consolidated earnings before interest, taxes, depreciation and amortisation to the consolidated interest expenses to be not less than 3.50:1. As at 31st August 2025, both conditions are met. For all other loans, there are no financial covenants. Therefore, the amount due is based on the scheduled repayment dates set out in the loan agreements.

## 18. DERIVATIVE FINANCIAL INSTRUMENTS

	31.8.2025 (Unaudited)		28.2.2025 (Audited)	
	Assets	Liabilities	Assets	Liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest rate swaps	2,946	12,459	10,718	5,864
Cross-currency interest rate swap	–	21,707	–	21,774
	<u>2,946</u>	<u>34,166</u>	<u>10,718</u>	<u>27,638</u>
Current portion	(1,191)	(22,155)	(288)	(1,319)
	<u>1,755</u>	<u>12,011</u>	<u>10,430</u>	<u>26,319</u>
Non-current portion				

All derivative financial instruments entered into by the Group that remain outstanding at 31st August 2025 and 28th February 2025 are for hedging purposes. The credit risk on those derivative financial instruments is limited as the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The classification of current/non-current for derivative financial instruments is in accordance with the maturity dates of the corresponding bank borrowings, the designated hedged items.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 17th October 2025 to Monday, 20th October 2025, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of share accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 16th October 2025.

## **Compliance with Corporate Governance Code**

The Company is committed to maintaining a high standard of corporate governance to balance the interests of shareholders, customers, employees and other stakeholders. The Company has continued to comply with the code provisions of the Corporate Governance Code as applicable to the Company throughout the six months ended 31st August 2025 and set out then in Appendix C1 to the Listing Rules, with the exception of code provision B.2.2 which is explained below.

Code provision B.2.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company's Directors are not subject to retirement by rotation. Instead, all Directors, including the executive, non-executive and independent non-executive, are subject to retirement at each annual general meeting of the Company in accordance with the articles of association of the Company.

## **Compliance with Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code for securities transactions by Directors pursuant to its own Securities Dealing Code. Having made specific enquiries of all Directors, they confirmed that they have complied with the required standard set out in the Model Code and the Company's own Securities Dealing Code throughout the period under review.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

During the six months ended 31st August 2025 (“1HFY2025/26” or the “Reporting Period”), the Group navigated a challenging economic environment in Mainland and Hong Kong, marked by ongoing US-China trade tensions. While Hong Kong’s economy experienced moderate recovery supported by a stock market rebound and further resurgence of tourism, headwinds persisted in the form of weak consumer sentiment, high interest rates, and elevated levels of credit defaults. In response, the Group adopted a more conservative approach to sales and receivables growth, prioritising maximizing returns from its credit card and personal loan portfolios while mitigating credit risk.

Despite these challenges, the Group achieved a marginal revenue increase, demonstrating the resilience of its core operations and the effectiveness of measures implemented to sustain sales and receivables growth. Overall sales increased 4.4% in 1HFY2025/26 compared with the first half of the previous year (“1HFY2024/25” or the “Previous Period”), driven by growth in credit card sales, which offset the decline in personal loan sales resulting from more prudent credit assessment. Gross advances and receivables continued an upward trajectory, increasing 2.7% from 28th February 2025 to 31st August 2025, despite the Group’s conservative marketing stance. To address the prevailing high credit default rates, the Group has implemented robust credit monitoring measures to mitigate further deterioration in asset quality. Consequently, the percentage of impaired credit (i.e., stage 2 and stage 3 receivables) to gross advances and receivables decreased from 4.2% as of 28th February 2025 to 4.0% as of 31st August 2025.

The Group’s marketing strategy effectively reduced advertising costs while maintaining marketing effectiveness and optimising resource allocation. In celebration of AEON Credit Service’s 35th anniversary in Hong Kong, promotional campaigns were expanded, including the “AEON 35th Anniversary • Lucky Draw” campaign, alongside existing incentive programmes. The launch of Green Personal Loan products further reinforced the Group’s commitment to environmental, social, and governance (ESG) principles. Leveraging the AEON Ecosystem, the Group also capitalised on group synergy through initiatives such as the AEON JCB credit card revamp programme.

Continuous refinement of the credit assessment methodology, in line with the Group’s “Promote, Monitor and Control” credit strategy, enhanced the balance between meeting customers’ financial needs and managing credit risk control. This enabled proactive identification of customers requiring credit advice and the provision of flexible solutions to alleviate financial burden.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Business Review (Continued)**

In information technology, the Group has completed the IP Contact Center (IPCC) project to enhance its call center operations, with ongoing evaluations planned for further efficiency improvements. The Group is also actively exploring the implementation of artificial intelligence (AI) and the One AEON project to drive innovation and streamline processes.

As for the Mainland China business, AEON Micro Finance (Shenzhen) Co., Ltd. (“AMF(SZ)”) experienced a loss due to surging delinquency rates on property owner and business owner loans and economic uncertainty. However, swift implementation of measures to better pace receivables growth and strengthen credit assessment mitigated the impact on the Group’s overall results. In terms of back-office outsourcing services, AEON Information Service (Shenzhen) Co., Ltd. (“AIS”) provided effective telemarketing activities, driving personal loan and cash advance sales and executing timely customer repayment reminder.

### **Interim Dividend**

In view of the Group’s strong financial position and in order to once again share its fruitful results with shareholders, the Board has resolved to declare an interim dividend of 25.0 HK cents per share (1H FY2024/25: 24.0 HK cents per share), representing a dividend payout ratio of 44.8%. This is in line with the Group’s policy of paying no less than 30% of its net profit for the period as dividends.

### **Financial Review**

The Group recorded profit before tax of HK\$281.3 million for the Reporting Period, an increase of 38.4%, or HK\$78.1 million, from the Previous Period. With income tax expense of HK\$47.7 million, the Group’s profit after tax increased by 37.1%, or HK\$63.2 million, to HK\$233.6 million from HK\$170.4 million in the Previous Period. Earnings per share increased from 40.68 HK cents to 55.78 HK cents for the Reporting Period.

The net debt to equity ratio was 0.7 as at 31st August 2025 and 28th February 2025, while the total equity to total assets ratio as at 31st August 2025 and 28th February 2025 was 54.2% and 54.0%, respectively.

Net asset value per share (after the interim dividend) was HK\$10.2 as at 31st August 2025, compared with a net asset value per share (after the final dividend) of HK\$9.9 as at 28th February 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Financial Review (Continued)

#### *Consolidated Statement of Profit or Loss Analysis*

##### *Revenue*

Revenue for 1HFY2025/26 was HK\$897.1 million, an increase of 4.3%, or HK\$36.8 million, compared with the HK\$860.3 million recorded in 1HFY2024/25.

##### *Net interest income*

The Group implemented various marketing programs in 1HFY2025/26 to meet market demand, successfully maintaining sales growth despite the economic uncertainty. As a result, the continuous increase in revolving credit card receivables offset the decline in personal loan receivables during the Reporting Period. Consequently, the Group recorded an increase in interest income of 2.7%, or HK\$20.0 million, from HK\$734.5 million in the Previous Period to HK\$754.5 million in the Reporting Period.

The Group's interest expenses recorded a decrease of HK\$8.9 million, from HK\$64.5 million in the Previous Period to HK\$55.6 million in the Reporting Period, due to declining Hong Kong Interbank Offered Rate (HIBOR) and an effective funding strategy. With a borrowing portfolio comprising a mix of borrowing rates and maturities, the Group's average cost of funds decreased from 4.1% in the Previous Period to 3.4% in 1HFY2025/26.

As a result, the Group's net interest income for 1HFY2025/26 was HK\$698.8 million, representing an increase of 4.3%, or HK\$28.9 million, compared with HK\$670.0 million for 1HFY2024/25.

##### *Operating income*

Due to the significant increase in credit card purchase volume during the Reporting Period, the rise in commission income surpassed the operating costs associated with the attractive cashback incentive scheme and promotional campaigns. Consequently, fees and commissions from the credit card issuing business increased from HK\$19.4 million to HK\$21.4 million during the Reporting Period. For the credit card acquiring business, fees and commissions increased by HK\$2.4 million to HK\$29.8 million during the Reporting Period due to an increase in both the number of card acquiring merchants and transaction volume. Fees and commissions from the insurance intermediary business recorded an increase of HK\$1.1 million during the Reporting Period, attributable to the new insurance products launched through diversified insurance distribution channels. Overall, the Group recorded an increase in fees and commissions of 8.8%, or HK\$5.4 million, from HK\$62.1 million in 1HFY2024/25 to HK\$67.6 million in 1HFY2025/26.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Financial Review (Continued)

#### *Consolidated Statement of Profit or Loss Analysis (Continued)*

##### *Operating income (Continued)*

As a result of the continued increase in demand for cash advances, increased mark-up charges on foreign currency card purchases, and the higher number of customers making minimum payments, handling and late charges increased by HK\$11.4 million to HK\$75.1 million for 1HFY2025/26.

In terms of other income, the Group recognized income of HK\$3.7 million from business partner sponsorships in 1HFY2025/26 compared with HK\$7.8 million in 1HFY2024/25.

Overall, the Group's operating income for 1HFY2025/26 recorded an increase of 5.3%, or HK\$42.6 million, from HK\$804.2 million in 1HFY2024/25 to HK\$846.8 million for the Reporting Period.

##### *Operating expenses*

The Group's targeted marketing strategy effectively reduced advertising expenses while maintaining comparable impact through a broader range of promotional campaigns. This was achieved by strategically integrating traditional and digital marketing channels to precisely target specific customer segments. As a result, marketing and advertising promotional costs were efficiently controlled, leading to a reduction of HK\$11.2 million to HK\$39.7 million in 1HFY2025/26 (1HFY2024/25: HK\$50.8 million). For lease related expenses, with the relocation of data center and termination of certain outdoor advertising, the Group enjoyed a saving of HK\$5.1 million to HK\$27.5 million in 1HFY2025/26 (1HFY2024/25: HK\$32.5 million). Following the completion of the IPCC project and network facility upgrades, depreciation of property, plant and equipment, and amortization of intangible assets, increased by HK\$3.2 million to HK\$26.7 million for 1HFY2025/26 compared with the Previous Period (1HFY2024/25: HK\$23.5 million). In addition, general administrative expenses increased by HK\$2.7 million to HK\$116.0 million in 1HFY2025/26 compared with the Previous Period (1HFY2024/25: HK\$113.3 million) due to higher card association fees resulting from increased overseas card sales. To support business growth, additional manpower was deployed to enhance product development, resulting in an increase in staff costs of HK\$3.2 million to HK\$122.4 million in 1HFY2025/26 compared with the Previous Period (1HFY2024/25: HK\$119.2 million).

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Financial Review (Continued)**

#### ***Consolidated Statement of Profit or Loss Analysis (Continued)***

##### *Operating expenses (Continued)*

Despite these increases, total operating expenses decreased by 1.9%, or HK\$7.1 million, from HK\$378.2 million in the Previous Period to HK\$371.2 million in the Reporting Period. Coupled with increased operating income, the cost-to-income ratio improved from 47.0% in 1HFY2024/25 to 43.8% in 1HFY2025/26.

Operating profit before impairment losses and allowances, reached HK\$475.6 million, an 11.7% increase compared to HK\$426.0 million in 1HFY2024/25.

##### *Impairment losses and impairment allowances*

During the Reporting Period, the unemployment rate reached a two-year high of 3.7%, primarily driven by shifts in consumption patterns. Interest rates remained high, and individual bankruptcy petitions reached their highest level since 2022 in the second quarter. Consequently, credit defaults remained elevated within the consumer finance industry in 1HFY2025/26. The Group effectively managed credit risks through its proprietary scoring system, which adapted to the evolving macroeconomic environment and facilitated risk assessment across various scenarios. Proactive collection efforts and responsive debt relief plans significantly enhanced early settlement opportunities. Despite the continued growth in gross advances and receivables during the Reporting Period, customer repayment patterns showed improvement. There was a decrease in impairment losses and impairment allowances of 12.7%, or HK\$30.1 million, from HK\$236.1 million in the Previous Period to HK\$206.0 million in the Reporting Period. The ratio of impairment losses and impairment allowances to revenue improved from 27.4% in 1HFY2024/25 to 23.0% in 1HFY2025/26.

#### ***Consolidated Statement of Financial Position Analysis***

The Group's total equity as at 31st August 2025 was HK\$4,379.9 million, representing an increase of 3.0%, or HK\$128.8 million, compared with a balance of HK\$4,251.2 million as at 28th February 2025.

Total assets as at 31st August 2025 amounted to HK\$8,087.5 million, compared with total assets of HK\$7,868.3 million as at 28th February 2025.



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Financial Review (Continued)

#### *Consolidated Statement of Financial Position Analysis (Continued)*

##### *Advances and receivables*

Following the launch of successful marketing and advertising activities, credit card receivables increased from HK\$5,481.5 million as at 28th February 2025 to HK\$5,698.2 million as at 31st August 2025. However, due to prudent credit assessments during the Reporting Period, personal loan receivables decreased from HK\$1,631.8 million as at 28th February 2025 to HK\$1,593.7 million as at 31st August 2025.

Gross advances and receivables increased by 2.7%, or HK\$194.6 million, to HK\$7,524.0 million as at 31st August 2025 from HK\$7,329.4 million as at 28th February 2025. Gross advances and receivables exposed to higher credit risk or otherwise credit impaired amounting to HK\$302.3 million and HK\$310.7 million as at 31st August 2025 and 28th February 2025, respectively. Impairment allowances amounted to HK\$255.1 million as at 31st August 2025, representing 3.4% of gross advances and receivables, compared with HK\$264.9 million as at 28th February 2025, representing 3.6% of gross advances and receivables.

##### *Bank borrowings and borrowings from the immediate holding company*

Despite increased gross advances and receivables balance, effective utilisation of internal funding and short-term financing maintained bank borrowings and borrowings from the immediate holding company at a consistent level during the Reporting Period, with a balance of HK\$3,142.3 million as at 31st August 2025, compared with HK\$3,154.8 million as at 28th February 2025. Of the borrowings as at 31st August 2025, 68.8% will mature within one year, 28.0% between one and two years, and 3.2% between two and five years. Of the borrowings maturing in more than one year, 33.7% had fixed interest rates, and 66.3% were hedged against interest rate fluctuations through relevant swap instruments.

The average duration of borrowings as at 31st August 2025 was 0.6 years, compared with 1.0 years as at 28th February 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Financial Review (Continued)

#### *Consolidated Statement of Financial Position Analysis (Continued)*

##### *Segment information*

The Group operates across three business segments: credit cards, personal loans and insurance intermediary business. For 1H FY2025/26, 79.6% of the Group's revenue was derived from credit card operations, compared with 77.8% in 1H FY2024/25. Personal loan operations accounted for 18.6% of the Group's revenue, compared with 20.5% in the Previous Period. As for segment results, profit from credit card operations accounted for 93.4% of the Group's total business, compared with 104.0% during the Previous Period. Meanwhile, profit from personal loan operations accounted for 4.1%, compared with loss from personal loan operations of 7.1% during the Previous Period.

In the credit card business, targeted marketing and the launch of diverse marketing programmes for domestic and dining expenditures drove increased credit card sales and higher revolving credit card balances during the Reporting Period. Consequently, revenue from credit card operations increased by 6.7%, or HK\$45.0 million, to HK\$714.0 million, up from HK\$669.0 million in 1H FY2024/25. Reduced borrowing costs and improved impairment performance, the segment result for the Reporting Period increased by HK\$52.2 million, or 24.6%, from HK\$212.4 million in 1H FY2024/25 to HK\$264.6 million.

In the personal loan business, given the conservative marketing approach and prudent credit assessment, there was a slowdown in sales during the Reporting Period, resulting in a marginal decrease in the personal loan receivables balance. Revenue from personal loan operations decreased by 5.3%, or HK\$9.3 million, from HK\$176.0 million in 1H FY2024/25 to HK\$166.7 million in 1H FY2025/26. The adoption of prudent credit assessment had resulted in reduction in impairment losses and impairment allowances, with the segment result turned to profit of HK\$11.5 million in the Reporting Period as compared with a loss of HK\$14.5 million in 1H FY2024/25.

Following adjustments to its business model and product offerings, the insurance intermediary business resumed growth during the Reporting Period. Segment revenue and result amounted to HK\$16.5 million and HK\$7.3 million, respectively, for the Reporting Period, compared with HK\$15.4 million and HK\$6.3 million, respectively, for the Previous Period.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Financial Review (Continued)**

#### ***Consolidated Statement of Financial Position Analysis (Continued)***

##### ***Segment information (Continued)***

By geographical location, revenue from Hong Kong operations increased by 3.6%, or HK\$30.2 million, from HK\$841.9 million in 1HFY2024/25 to HK\$872.1 million in 1HFY2025/26, due to higher receivables balances. The segment result also increased by 45.7%, or HK\$92.0 million, from HK\$201.4 million in 1HFY2024/25 to HK\$293.3 million, due to improved asset quality and lower funding costs.

In Mainland China, the Group prioritized strengthening its credit assessment process to stabilise asset quality in response to anticipated surging delinquency rates on property owner and business owner loans. Although the increase in receivables helped drive revenue growth from HK\$18.5 million in 1HFY2024/25 to HK\$25.1 million for the Reporting Period, due to deterioration in customer repayment performance, the China operation recorded a loss of HK\$10.0 million for the Reporting Period as compared to a profit of HK\$2.8 million for 1HFY2024/25.

### **Prospects**

Looking ahead to the second half of FY2025/26, while uncertainties remain due to US tariff actions, Hong Kong's economy is expected to benefit from anticipated global interest rate cuts, which was reflected by a reduction of US Federal Reserve rate by 25 basis point in September 2025, a recovery in inbound tourism, and the Hong Kong Government's proactive support for mega-events designed to stimulate consumer spending.

The Group will focus on sustaining sales and receivables growth, particularly through domestic and online transactions, while refining credit assessment and monitoring processes to ensure a sustainable and high-quality asset portfolio. Marketing strategies will emphasise targeted campaigns, mass promotions, and leveraging incentives to expand market share, particularly among younger demographics. The Group will also pursue revenue diversification by increasing fee-generating transactions and expanding its insurance intermediary businesses.

To enhance operational efficiency, the Group plans to accelerate the integration of AI tools into back-office operations automating routine tasks such as data processing and credit risk analysis to reduce operational costs and improve accuracy.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Prospects (Continued)**

Credit assessment and portfolio management will be enhanced through an upgraded risk-based methodology designed to identify high-quality customers for additional credit. Advanced models are expected to improve fraud detection and predictive analytics for credit assessments, enabling faster decision-making and optimised resource allocation. These initiatives reinforce the Group's commitment to providing efficient services while minimising credit risk.

Within the AEON Ecosystem, the Group has commenced One AEON project, to create an integrated bonus point platform for reward accumulation and redemption. The platform will enable seamless management of rewards earned from AEON Cards and prospective partner merchants, notably AEON Stores (Hong Kong) Limited ("AEON Stores"), via the "AEON HK" and partner merchant's mobile app. Integrating the bonus point platform with the AEON Stores network will enhance customers convenience and flexibility, fostering greater engagement and loyalty across both credit and retail services.

In Mainland China, the Group will focus on developing a sustainable business growth model for AMF (SZ) by capitalising on the potential of the Greater Bay Area. Strengthened credit assessment and corporate governance, enhanced sustainability practices and improved management oversight will support its expansion, driving customer base growth and shareholder value.

As the company celebrates its 35th anniversary in Hong Kong, the Group continues to be guided by the AEON Vision Statement and the Three Principles of the AEON Group: "moving forward hand in hand", "transcending the boundaries between groups and companies", and "building multifaceted connections and creating a future full of smiles together." With a strong liquidity position and robust balance sheet, the Group is well positioned to capitalise on opportunities in the credit finance market, deliver innovative and customer-centric credit services, and maintain business growth in the second half of the year.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Funding and Capital Management

The Group manages its capital to ensure that:

- the Group will continue as a going concern;
- a healthy capital ratio is maintained to instill confidence in stakeholders during periods of uncertainty and turmoil in financial markets;
- funds are available at competitive costs to meet all contractual financial commitments; and
- the Group is able to fund receivable growth and to generate reasonable returns from available funds.

#### *Net debt to equity ratio*

The Group's management reviews the capital structure on a semi-annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The net debt to equity ratio at the period/year end was as follows:

	<b>31.8.2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	28.2.2025 <b>HK\$'000</b> <b>(Audited)</b>
Debt ( <i>Note a</i> )	<b>3,249,484</b>	3,271,202
Cash and cash equivalents	<b>(260,969)</b>	(244,090)
Net debt	<b>2,988,515</b>	3,027,112
Equity ( <i>Note b</i> )	<b>4,379,925</b>	4,251,161
Net debt to equity ratio	<b>0.7</b>	0.7

#### *Notes:*

- (a) Debt comprises lease liabilities, bank borrowings and borrowings from immediate holding company.
- (b) Equity includes all capital and reserves of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

### **Funding and Capital Management (Continued)**

The principal source of internally generated capital was from accumulated profits. Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

The Group's principal operations are transacted and recorded in HKD and thereby its core assets are not subject to any exposure on exchange rate fluctuation. During the period under review, the Group engaged in derivative financial instruments mainly to hedge exposure on interest rate and exchange rate fluctuations for its bank borrowings. At 31st August 2025, capital commitments entered into were mainly related to the purchase of property, plant and equipment and intangible assets.

### **Human Resources**

At 31st August 2025 and 28th February 2025, the Group's total number of employees was 598 (Hong Kong: 377; PRC: 221) and 596 (Hong Kong: 380; PRC: 216) respectively. The Group continues to recognize and reward its staff in a manner similar to that disclosed in its 2024/25 Annual Report.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the period, there was no purchase, sale or redemption by the Company or its subsidiaries of the Company's listed securities.

### **REVIEW OF UNAUDITED FINANCIAL INFORMATION**

The Audit Committee has reviewed the unaudited interim financial results for the six months ended 31st August 2025. In addition, the condensed consolidated financial statements for the six months ended 31st August 2025 have been reviewed by our auditor, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants and an unqualified review report is issued.

## **PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE'S WEBSITE**

The 2025/26 Interim Report, containing the relevant information required by the Listing Rules, will be published on the respective websites of The Stock Exchange of Hong Kong Limited and the Company in due course.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises Mr. Wei Aiguo (Managing Director), Mr. Lai Yuk Kwong (Deputy Managing Director) and Ms. Wan Yuk Fong as Executive Directors; Mr. Shigeki Mishima (Chairman) and Ms. Jin Huashu as Non-executive Directors; and Mr. Lee Ching Ming Adrian, Ms. Shing Mo Han Yvonne, Ms. Junko Dochi and Mr. Choi Ping Chung as Independent Non-executive Directors.

By order of the Board  
**Wei Aiguo**  
*Managing Director*

Hong Kong, 30th September 2025